



# State of Utah

School and Institutional  
TRUST LANDS ADMINISTRATION

Michael O. Leavitt  
Governor

David T. Terry  
Director

675 East 500 South, Suite 500  
Salt Lake City, Utah 84102-2818  
801-538-5100  
801-355-0922 (Fax)  
<http://www.trustlands.com>

m/037/088

RECEIVED

FEB 02 2000

DIVISION OF  
OIL, GAS AND MINING

January 31, 2000

Mr. Lee Gochnour  
Gochnour & Associates, Inc.  
5231 South Quebec  
Greenwood, Village, Colorado 80111

Re: Approval to Commence with Exploration Drilling, Winter 1999/2000 - Lisbon Valley Project. Notice of Intent to Commence Exploration, Dated December 20, 1999, Gochnour and Associates, Inc.

Dear Mr. Gochnour:

On January 25, 2000, The School and Institutional Trust Lands Administration ("Trust Lands Administration") received correspondence from the Bureau of Land Management ("BLM"), Moab Field Office, in which the BLM recommended that the Utah Division of Oil Gas and Mining ("DOGM") release that portion of the 1999 exploration reclamation surety (total amount \$7,166.00) relating to hole plugging and earth work on drill holes A thru H as identified in the Lisbon Valley Exploration Project dated August 12, 1999. On January 28, 2000, the Trust Lands Administration received notification from DOGM that the earthwork performed at the 1999 drill sites is satisfactory and that a period of up to three growing seasons will be required before the 1999 sites will be fully revegetated and eligible for full release. DOGM has recommending that \$5,250.00 of the 1999 surety bond be applied to the exploration drilling that is to be conducted on Section 36, T. 30 S., R.25 E., in February and March, 2000. The remainder of the \$7,166.00 surety, \$1,916.00, will be held to insure successful revegetation at the 1999 drill sites.

The December 20, 1999, Notice of Intent ("NOI") to Commence Exploration Drilling, scheduled for February and March, 2000, satisfies the notification requirements of the Trust Lands Administration and upon the recommendation of DOGM the Trust Lands Administration will accept the released portion of the 1999 exploration bond (\$5,250.00) as surety for reclamation of the proposed February - March, 2000, drill locations identified in the December 20, 1999, NOI as drill site locations A thru O.

As proposed in the NOI access to seven (7) of the proposed drill sites will be via existing trails. Access to three (3) sites (A, B, and F) will require 375 linear feet of overland tracking with no blade construction. Five (5) sites, (I, K, L, N, and O), will require 825 linear feet of blade work to brush cut access to the drill sites. The width of the trail/access impact will be up to 20 feet (1200' X 20' = 24,000 sq. ft. or .55 acres). Drill sites will be 20' X 40'. The project disturbance for the 15 sites is .275 acres. Total project disturbance will be .825 acres.

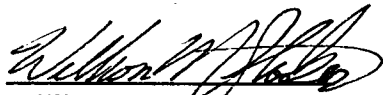
The proposed exploration drilling project lies entirely within the boundaries of the Lisbon alley Copper Project as identified in the U.S. Department of the Interior, Final Environmental Impact Statement, dated February, 1997. The Final Environmental Impact Statement includes the results of the cultural resource surveys conducted on the entire project area, therefor no additional cultural resource survey will be required. Should the proposed exploration project encounter previously unidentified archeological, historical, or paleontological remains you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

Upon completion of your mining operation all surface disturbances resulting from your operations on the leased lands will be fully reclaimed to the satisfaction of the Trust Lands Administration and in compliance with the State of Utah Mined Land Reclamation Act.

With satisfaction of the Trust Lands Administration's bonding requirements and satisfaction of the cultural and paleontological survey requirements the Trust Lands Administration hereby grants approval to commence with the proposed exploration drilling project as identified in the December 20, 1999, Notice of Intent to Commence Exploration Drilling.

If you have any question please feel free to call.

Sincerely,



William M. Stokes  
Minerals Resource Specialist

cc: Tony Gallegos, DOGM

Sal Venticinque  
BLM, Moab Field Office  
82 East Dogwood Avenue  
Moab, Utah 84532

Mr. Robert A Prescott  
Summo USA Corporation  
P.O. Box 847  
Moab, Utah 84532